

THE PROPERTY TAX CYCLE



ANNE M. GANNON
TAX COLLECTOR, PALM BEACH COUNTY

The property tax in Florida is constitutionally a local tax, administered, levied, and collected by local officials. The Florida Constitution establishes the county Tax Collectors as independent government agencies. They are Constitutional Officers and collect property taxes for every local government agency that has the power to levy taxes, serves its county as the agent for the administration of Business Tax Receipts and serves the state as an agent for the Department of Environmental Protection, The Florida Fish & Wildlife Conservation Commission, and The Department of Revenue.

Statutes assign the Department of Revenue the role of determining that local officials are complying with the law, resolving compliance issues that may arise, and aiding and assisting local governments in their duties. Department resources are primarily focused on oversight of property valuation functions of property appraisers. The Department also has roles and responsibilities in almost all aspects of the local property tax revenue process. These include the public notice and advertising of assessments and rates, billing, the assessment and exemption appeals process, property tax billing, and collection.

1 Property Tax Base

Property Appraisers

The county property appraiser is a locally elected official responsible by law for determining just, or market, value of all property and establishing exemption eligibility. The resulting taxable value is the basis for levying property taxes by all local governments.

Department of Revenue

The Department of Revenue oversees the operation of local property appraisers, determining compliance with applicable laws through a roll review process and by assuring property appraiser offices are adequately funded. The Department acts to resolve compliance problems through various enforcement tools, including the ability to disapprove a tax roll. The Department also provides aid and assistance to property appraisers to enhance compliance.



2 Property Tax Millage Levies

Elected Officials

Revenue to be raised from property tax is determined by locally elected governing boards as part of their budget setting process. Based on property tax revenue required for operating expenses, millage rates are established.

Department of Revenue

The Department plays no role in setting property tax millages other than to ensure that governments do not exceed constitutional millage caps.



3 Property Tax Public Notification/Advertising

TRIM Notice

This is the notice of proposed taxes issued by the Property Appraiser's office to property owners. TRIM statutes provide for the "rolled-back rate," the "no tax increase" millage levy by each local government. "TRIM" states the taxes due under each government's proposed levy and that government's rolled-back rate. Local governments must also publicly advertise the meeting at which the final millage rate and budget will be adopted and any tax increase, if applicable.

Department of Revenue

The Department of Revenue determines compliance with the laws governing public disclosure of property tax levies. Local governments not in compliance can be required to re-advertise and hold new public hearings. The Department provides training and assistance throughout the year to local governments on proper procedures to enhance compliance and provides many of the forms required for this process.



4 Property Tax Appeals Process

Elected Value Adjustment Boards

Taxpayers who object to their assessment or their exemption status may appeal to the Value Adjustment Board (VAB). This Board consists of three elected members of the governing body of the county and two elected members of the school board. Either the property appraiser or the taxpayer may appeal the VAB's decision in circuit court.

Department of Revenue

The Department is required to provide forms and prescribe uniform procedures governing certain aspects of VAB hearings.



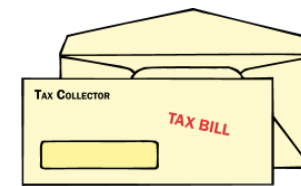
5 Billing of Property Taxes

Tax Collectors

Tax bills are prepared by the tax collector and normally mailed around the first of November, with payment due by the following March 31. Early payment discounts and installment payment plans are available. Property taxes constitute a first lien on the property assessed.

Department of Revenue

The Department of Revenue provides the format for the property tax bill for all counties.



6 Property Taxes Paid

Taxpayers

Taxes are due and payable on November 1st or as soon as the tax bill is received. An early payment discount of 4% is available for taxes paid in November, 3% for taxes paid in December, 2% for taxes paid in January and 1% for taxes paid in February.

Department of Revenue

The Department of Revenue is available to answer taxpayer inquiries about the property tax collection process and to assist with communications with tax collectors and property appraisers.



7 Property Tax Collections

Tax Collectors

Payment is made to the tax collector. Tax certificates are sold for all property on which tax payments are delinquent. After two years, a tax deed may be sold for property on which taxes have not been paid. The tax collector, in conjunction with the property appraiser, processes all requests for refunds of taxes.

Department of Revenue

The Department of Revenue is granted authority to approve or deny refund requests of \$400 or more. The Department must also approve all requests for correction or cancellation of tax certificates. The Department provides many forms used in the tax collection process and provides training, as well as assistance to tax collectors and their offices.



8 Funding of Local Government Services

Local Governments

Property taxes are distributed by the tax collector to all local governments levying the tax. In 2005, 67 counties, 67 school boards, 462 municipalities, 231 independent special districts and 5 water management districts levied property taxes. A total of \$25.9 billion was levied, making property tax the largest governmental revenue source in Florida.

Palm Beach County

The Tax Collector of Palm Beach County receives and distributes over \$3 billion annually.

